

Message Text

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ACTION EA-09

INFO OCT-01 IO-10 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

XMB-02 SAM-01 OES-03 /105 W
----- 099081

R 190856Z DEC 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 554

INFO AMEMBASSY CANBERRA

USDEL GENEVA

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E.O. 11652: N/A

TAGS: BEXP, ETRD, RP

SUBJECT: PHILIPPINES RETALIATION AGAINST AUSTRIAL TEXTILE
RESTRICTIONS

REF: MANILA 17038

1. WE HAVE BEEN TOLD BY BUSINESS CONTACTS THAT THE GOP
IS QUIETLY SPREADING THE WORD AMONG IMPORTERS, DISTRIBUTORS
AND ENDUSERS TO SEEK SOURCES OTHER THAN AUSTRALIA FOR THEIR
IMPORT NEEDS. THE OSTENSIBLE RATIONALE IS TO RIGHTEN THE
MORE THAN 100 MILLION DOLLAR DEFICIT WHICH THE PHILIPPINES
IS RUNNING UP WITH AUSTRALIA. IMPLICITLY UNERSTOOD IS
THAT THE MOVE IS IN RETALIATION FOR AUSTRALIAN RESTRICTIONS
ON IMPORTS OF PHILIPPINE TEXTILE GOODS.

2. ACCORDINGLY, WE HAVE BEEN PROCESSING SEVERAL NEW TRADE
OPPORTUNITIES FROM AGENTS AND DISTRIBUTORS WHO ARE SEEKING
NEW SOURCES. FOR THOSE WHO CANNOT, SUCH AS GENERAL MOTORS
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PHILIPPINES, PROBLEM IS SOMEWAHT SERIOUS. GENERAL MOTORS

DOES MOST OF ITS SOURCING OF CKD AND P/A PARTS FROM AUSTRALIA AND HAS NOT BEEN ABLE TO GET ITS LETTERS OF CREDIT APPROVED BY THE CENTRAL BANK UNTIL IT WENT IN TO PLEAD FOR "EMERGENCY REQUIREMENTS" OR OTHERWISE IT WILL HAVE TO LAY OFF WORKERS RIGHT BEFORE CHRISTMAS. GM'S AUSTRALIAN GENERAL MANAGER HAS BROUGHT HIS PREDICAMENT TO THE ATTENTION OF THE AUSTRALIAN EMBASSY.

3. ANOTHER CURRENT STORY IS THAT THE GOP HAS "CANCELLED" THE BIENNIAL AUSTRALIAN TRADE SHOW SCHEDULED FOR SPRING 1975. SHOW HAS BEEN REGULAR AFFAIR IN MANILA DURING PAST DECADE AND GENERALLY CONSIDERED AS EFFECTIVE TRADE PROMOTION VEHICLE AS WELL AS SUPERB IMAGE AND BRIDGE-BUILDING EFFORT BY AUSTRALIA. AUSTRALIAN EXHIBITORS REPORTEDLY UPSET BUT HAVE GOTTEN PHILIPPINE MESSAGE CLEARLY.

4. WHEN ASKED ABOUT ABOVE DEVELOPMENT, GOA TRADE COMMISSIONER'S OFFICE BLANDLY STATED THAT SHOW WAS BEING "DEFERRED" FOR FINANCIAL REASONS AND REFUSED TO ELABORATE FURTHER. INDEED, GOP OFFICIALS -- FROM CENTRAL BANK TO TRADE AND FOREIGN AFFAIRS -- HAVE PROFESSED SURPRISE AND IGNORANCE WHEN SUBJECT RAISED WITH THEM. MOST FORTHCOMING WAS CENTRAL BANK OFFICIAL, WHO WHILE DENYING THAT LETTERS OF CREDIT WERE BEING HOLD UP STATED SIMPLY THAT PHILIPPINE IMPORTERS WERE AWARE OF INBALANCE IN TRADE AND WERE ACTING PATRIOTICALLY. SULLIVAN

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Message Attributes

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Disposition Approved on Date:
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Disposition Case Number: n/a
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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